

**CHAPTER NO. 847**

**SENATE BILL NO. 3114**

**By Finney**

**Substituted for: House Bill No. 3336**

**By McCord**

AN ACT to amend Tennessee Code Annotated, Section 9-21-105, relative to the definition of certain unfunded pension obligations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-21-105(3), is amended by deleting the subdivision in its entirety and substituting instead the following language:

(3) "Certain unfunded pension obligations" means pension benefits for past service of employees of a local government whose employment results from such local government's assumption of governmental responsibilities of another local government; or pension benefits for past service of employees of a local government whose pension benefits:

(A) Arise from a defined benefit pension plan which is closed to the enrollment of new employee participants, and


(B) Are funded solely by contributions of the local government to the plan;

provided, that such obligation shall be limited to the unfunded portion of the present value of benefits less present value of future normal costs as certified by the pension actuarial consultant of the local government;

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

Passed: May 17, 2006

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 2nd day of June 2006

  
PHIL BREDESEN, GOVERNOR